



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB1994

Introduced 2/9/2023, by Sen. Meg Loughran Cappel

#### SYNOPSIS AS INTRODUCED:

105 ILCS 5/8-6

from Ch. 122, par. 8-6

105 ILCS 5/34-74

from Ch. 122, par. 34-74

Amends the School Code. In provisions concerning custody of school funds, provides that each school district and school board must submit a quarterly report to the State Board of Education that contains information regarding (1) the amount of funds that each school district has in its reserves, (2) the amount of funds that each school district has in its investments, and (3) the number of days that each school district has cash on hand. Requires each school district and school board to publish and maintain the information in each quarterly report on its Internet website. Provides that any school district or school board reporting more than 250 days cash on hand shall spend any excess cash on hand funds beyond the 250 days on educational services, including hiring teachers, paraprofessionals, nurses, librarians, social workers, counselors, or psychologists. Effective immediately.

LRB103 27488 RJT 53861 b

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The School Code is amended by changing Sections  
5 8-6 and 34-74 as follows:

6 (105 ILCS 5/8-6) (from Ch. 122, par. 8-6)

7 Sec. 8-6. Custody of school funds.

8 (a) The school treasurer shall have custody of the school  
9 funds and shall keep in a cash book separate cash balances. In  
10 the cash book he shall enter in separate accounts the balance,  
11 total of all moneys received in each fund, and the total of the  
12 orders countersigned or checks signed with respect to each  
13 fund and extend the balances and the aggregate cash balance  
14 for all funds balance at least monthly. The treasurer shall  
15 reconcile such balances with the accounting or bookkeeping  
16 department of the district in conformity with a template  
17 provided by the State Board of Education monthly. School  
18 districts on the financial watch or warning list that are  
19 required to submit deficit reduction plans in accordance with  
20 Section 17-1 of this Code or that are certified in financial  
21 difficulty in accordance with Section 1-A8 of this Code must  
22 transmit the cash balances as required pursuant to this  
23 Section 8-6 of this Code to the State Board of Education

1 quarterly from the treasurer.

2 (b) Each school district must submit a quarterly report to  
3 the State Board of Education that contains all of the  
4 following information:

5 (1) The amount of funds that each school district has  
6 in its reserves.

7 (2) The amount of funds that each school district has  
8 in its investments.

9 (3) The number of days that each school district has  
10 cash on hand.

11 The school district must publish and maintain the  
12 information in each quarterly report on its Internet website.

13 (c) Any school district reporting more than 250 days cash  
14 on hand shall spend any excess cash on hand funds beyond the  
15 250 days on educational services, including hiring teachers,  
16 paraprofessionals, nurses, librarians, social workers,  
17 counselors, or psychologists.

18 (Source: P.A. 97-429, eff. 8-16-11.)

19 (105 ILCS 5/34-74) (from Ch. 122, par. 34-74)

20 Sec. 34-74. Custody of school moneys.

21 (a) Except as provided in Article 34A and Section 34-29.2  
22 of this Code, all moneys raised by taxation for school  
23 purposes, or received from the state common school fund, or  
24 from any other source for school purposes, shall be held by the  
25 city treasurer, ex-officio, as school treasurer, in separate

1 funds for school purposes, subject to the order of the board  
2 upon (i) its warrants signed by its president and secretary  
3 and countersigned by the mayor and city comptroller or (ii)  
4 its checks, as defined in Section 3-104 of the Uniform  
5 Commercial Code, signed by its president, secretary, and  
6 comptroller and countersigned by the mayor and city  
7 comptroller.

8 (b) The board must submit a quarterly report to the State  
9 Board of Education that contains all of the following  
10 information:

11 (1) The amount of funds that each school district has  
12 in its reserves.

13 (2) The amount of funds that each school district has  
14 in its investments.

15 (3) The number of days that each school district has  
16 cash on hand.

17 The board must publish and maintain the information in the  
18 quarterly report on its Internet website.

19 (c) Any school district reporting more than 250 days cash  
20 on hand shall spend any excess cash on hand funds beyond the  
21 250 days on educational services, including hiring teachers,  
22 paraprofessionals, nurses, librarians, social workers,  
23 counselors, or psychologists.

24 (Source: P.A. 94-1105, eff. 6-1-07.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.